

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION  
EXECUTIVE OFFICER'S REPORT

October 5, 2000 (agenda)

LAFCO 99-15: Formation of the Orcutt Community Services District, Detachment from County Service Area No. 5

PROPONENT: Board of Supervisors, by resolution.

ACREAGE & LOCATION Approximately 8,520 acres consisting of lands within the Urban Boundary of the Orcutt Community Plan, including the Rancho Maria Golf Club, Lake Marie Estates and residential ranchettes south of Lake Marie Estates.

PURPOSE:

The reasons for the proposal as set forth in the resolution of application are to

- Provide local recreation, park and library services for present and future residents of the community of Orcutt,
- Improve levels of service and facilities,
- Improve opportunities for the community to exercise meaningful self-governance with regard to desired local services,
- Enable those who pay for services to select the governing board that makes the decisions regarding those services,
- Facilitate proper accounting of public service revenues and costs, and
- Establish a public agency that can address community needs now and in the future.

INTRODUCTION

The issue before the Commission is whether to authorize residents of Orcutt to vote on forming a Community Services District, which would provide governmental services for themselves.

Ancillary questions include the specific types of services the CSD should be authorized to provide, the territory to be included in the District and the revenue measure, if any, which should be presented to the voters to assist in funding District operations.

A significant degree of professional study and local participation has been invested in the process that culminates in LAFCO's hearing. On August 3, 2000 the Commission received an informational presentation by representatives of Orcutt and the County Parks Department. It emphasized community needs that would be met by the District and its services. That presentation is included by reference as part of the administrative record of these proceedings.

## Background

Orcutt is an unincorporated community in Santa Barbara County. It is located adjacent to and immediately south of the City of Santa Maria.

Orcutt grew steadily throughout the twentieth century, first as a farming community, then as a source of oil production and finally as a residential community for workers at Vandenberg Air Force Base and for businesses within the Santa Maria Valley. About 35,000 people live in Orcutt in approximately 11,000 dwelling units.

The County adopted the Orcutt Community Plan in 1997. It projects an additional 2,978 dwelling units and 378,850 square feet of non-residential building the next 20 years or so.

In the past two years, residents of Orcutt have been discussing ways to improve governmental services and facilities within their community. They formed the Orcutt Community Roundtable, which appointed an executive committee, to investigate various alternatives available to fund and provide needed public services for the community.

On October 19, 1999 the Board of Supervisors, based on a Roundtable recommendation, adopted a resolution initiating proceedings to form a Community Services District to provide services to Orcutt property owners and residents. The facilities and services to be provided include public parks and open space, recreation, a community center, senior services and an expanded library.

The County assisted further by funding a fiscal analysis for the proposed CSD and contracting with consultant David Taussig & Associates to prepare the report. A copy of the Taussig Report, "Orcutt Community Services District Fiscal Feasibility Study" was distributed to members of the Commission and is part of the administrative record for this proceeding.

The County Parks Department worked closely with the Orcutt executive committee to manage the formation process. In addition, the County formed an internal policy review committee to analyze the potential formation with representatives of several departments including the County Auditor, County Administrator, County Counsel, General Services, Planning & Development and Treasurer-Tax Collector.

## Community Services Districts

Community Services Districts (CSDs) are a common form of public agency in California. These special districts are formed pursuant to the Community Services District Law (§61000 et seq. of the Government Code). CSDs are found most often in unincorporated areas but can, with the consent of a city council, include incorporated lands as well.

The law authorizes CSDs to provide a broad array of local services. The actual services to be provided by a specific District are identified in the formation process. Thereafter, that District can provide additional types of services only by obtaining approval from LAFCO and the voters within the District.

There are six Community Services Districts in Santa Barbara County, located in Casmalia, the Cuyama Valley, Los Alamos, Mission Hills, Santa Ynez and Vandenberg Village.

#### Acknowledgements

The LAFCO staff appreciates the cooperation and assistance of a number of individuals in preparing this report. Many individuals were involved in providing information and reviewing the proposed formation but special mention goes to Jeff Stone, Deputy Director of the County Parks Department, the project manager for the CSD formation process, and to members of the Orcutt CSD Executive Committee including Don Clever, Steve Gonzales, Robert Meissner, Tami Rabska-Williams, Rick Velasco, Don Ward and Maureen Withers.

#### GENERAL ANALYSIS OF THE PROPOSED CSD

##### Community Priority Needs Compared to the Orcutt Community Plan

The County developed the Orcutt Community Plan (OCP) with extensive local participation and numerous public hearings by an Orcutt citizens' committee, the County Planning Commission and the Board of Supervisors. The plan identifies several future developments as "key sites."

In conjunction with adopting the OCP the County required a Public Infrastructure Financing Plan (PIFP) to identify mechanisms to fund, acquire, construct, operate and maintain public facilities. A vital purpose of the PIFP is to establish a legally supportable "nexus" between developments and mitigations or exactions from those development projects.

The PIFP projects that new developments will generate sufficient resources to provide parks (and other physical improvements) to serve the new population. However the OCP does not, according to the Orcutt Roundtable, include parks, recreation, senior and other facilities that are adequate to meet the current needs of the community or those of future residents.

The Orcutt Roundtable and its executive committee have examined and selected facilities it is felt will be of the greatest value to the community. These priorities are reflected in the Taussig report as Alternative B. The report analyzes three different "levels of service"

- Alternative A – Existing Facilities. These are the existing parks and other facilities with no improvements.

Note: The County's Waller Park, while located within the boundaries of the proposed District, is considered a "regional" park and will remain under County ownership and jurisdiction. It will not be transferred to or maintained by the CSD.

- Alternative B – Community Priority Facilities. These are the existing facilities plus the new facilities that have been selected by the executive committee.
- Alternative C – County Adopted Plan. These are existing facilities plus the new facilities that are identified in the OCP

The community favors acquiring and constructing active recreation facilities for organized sports and other activities, which would be in addition to the passive, neighborhood parks identified in the OCP. It also favors a better senior center and a larger, improved library.

#### Future Cooperation by the County and CSD

Many facilities are included in both Alternatives B and C but some are included in only one of the plans. If the CSD is formed, its Board of Directors and the Board of Supervisors will need to work cooperatively to determine the facilities to acquire and operate, and an order of priority.

The County will continue as the land use planning and permitting authority for Orcutt. It is, therefore, essential that the District and County cooperate and work constructively to coordinate new development and identified community needs. Exactions from new development represent part of the revenue stream projected in the Taussig report for the District to accelerate the schedule for constructing community facilities. The cooperation of the County will be necessary to effectively implement any of these plans.

#### OCP Memorandum of Understanding

In March 2000 the County executed a Memorandum of Understanding with several interested parties who had brought a legal challenge to the adoption of the OCP. These parties include the Orcutt Area Advisory Group (OAAG), Citizen's Planning Association of Santa Barbara (CPA), Orcutt Union School District and McCadden Development Company.

Under the terms of the MOU the County will proceed to process specific amendments to the OCP in not more than eight months (by November 2000). Two aspects of the MOU seem to apply specifically to the formation of the proposed Orcutt Community Services District.

“The County shall actively facilitate the expeditious formation of a Community Facilities District (CFD) and/or Community Services District (CSD).

“The Parks Department shall commence upon adoption of this Action and complete 36 months thereafter the development, in coordination with Planning and Development Department and interested Members of the community, of an adequate implementation plan which further develops the OCP's parks, recreation and open space plan, and identifies how the specific elements of that Plan will be accomplished.

“In developing said plan, the Parks Department will give consideration to the requirements of Government Code §65564 and the guidance of the California Office of Planning and Research, including but not limited to the General Plan Guidelines and the publication *Putting Action Into the Open Space Element*. This implementation plan shall address, at a minimum, the community's priorities for regional park, recreation and open space resources, including a botanic garden, and identify prospective sources of funding for construction and operations and maintenance of regional park, recreation and open space lands”

The full significance of this MOU on the operations of the CSD is not known but it is obviously a factor that the District will need to take into consideration. The District could serve as the local advisory committee for the County, which underscores the need for the District and County to work cooperatively to achieve the desired goals for the community.

#### Desired District Services

It is proposed that the CSD be authorized to provide specific types of services. These services are described briefly below and more extensively in the Taussig report.

- Park and Recreation Services

Orcutt's existing recreation facilities include 6.6 acres of passive parks, 16.63 acres of public open space and .09 miles of dedicated trails. These improvements are insufficient for a community of 30,000 with diverse recreational and leisure needs.

Sports and recreational programs, such as little league, softball and youth soccer are privately organized and administered, often using public school yards and athletic fields. As student populations increase, portable classrooms replace some of the available athletic fields, which contributes to the deficit of land for active sports, and this trend continues.

It is proposed that the District will significantly increase parkland, open space and facilities that can be devoted to active recreation, as well as provide a public agency to administer, coordinate and support a full range of community recreation programs.

- Library Services

Pursuant to an annual "Agreement for Operation of a Countywide Free Library System" the County contracts with three cities - Lompoc, Santa Barbara and Santa Maria – to provide library services throughout the County. The County supports the program with a General Fund contribution of \$5.00 per person in both incorporated and unincorporated areas.

The library in Orcutt is staffed by the City of Santa Maria pursuant to the countywide agreement. This report assumes this situation will continue after the formation of the CSD.

Orcutt's 1,800 sq. ft. library is the only library in the County occupying rented space. The Community Priority Facilities plan envisions the CSD constructing and owning an expanded library for Orcutt, which could also contain needed community-meeting rooms.

The Taussig report assumes incorrectly that the per capita contribution from the County will go the CSD. Unless the County chooses to alter the established arrangement, library services in Orcutt will be similar to other areas with local governments, i.e., in Buellton, Solvang and Carpinteria cities contribute support to the library system but services are provided by the city with library staff personnel that serves that portion of the County.

Moreover, per capita library funding is not needed for the fiscal viability of the District since projected County library revenues are offset by payments to the City of Santa Maria.

- Senior Services

The existing Luis Oasis Senior Center is housed in a modular unit located on land owned by Orcutt Union School District building and adjacent to the District offices. The facilities are inadequate for even the current demand, and an increasing number of seniors are relocating to the Orcutt area will exacerbate the situation.

Senior exercise classes must be held off-site and more services are already requested but are not available due to a lack of space. Parking is inadequate with only 27 parking spaces including only three handicapped spaces. Public transit is able to disembark passengers no closer than 150 feet to the door due to an inability to turn around.

The Community Priority Facilities plan proposes to develop a larger, permanent and more accessible facility to provide senior services for the community.

### Orcutt CSD Boundaries

An issue for the Commission to determine is whether the proposed District should be expanded to include the entire Orcutt Community Plan area and whether that would be consistent with the purposes of the District in meeting the present and future needs of the community.

The District boundaries proposed in the Board of Supervisors resolution of application follow the urban development boundary of the OCP, plus the Rancho Maria Golf Club, Lake Maria Estates and residential ranchettes located south of Lake Marie Estates.

Some members of the Orcutt Roundtable favor including the entire OCP area in the District by extending the proposed boundaries to the south and east. They cite the following:

- Extending the boundaries south into the Orcutt Hills would include open space in the District that may be appropriate for future trail easements with the property owners and low-impact outdoor recreational activities.
- Extending the boundaries across Highway 101 to the east would add additional acreage. Part of that area is used for the Elk's Unocal Event Center, which could be used conjunctively with District programs and community activities.

Open space and agricultural lands within the OCP were not included in the proposed District to avoid imposing a tax burden that could encourage conversion of agriculture or open space to other uses. That concern is mitigated by the proposed special tax measure that specifically exempts properties from the special tax other than residential and commercial parcels.

### Voter Approval of Special Tax

The Taussig Fiscal Feasibility Study illustrates that current sources of revenue, including those to be generated by proposed new developments, are insufficient to satisfy the community's current and future recreational, library and senior service needs. After identifying all existing revenues and factoring in revenues generated by proposed new developments, there are significant unmet needs. Additional County funding sufficient to meet these local needs is highly doubtful.

The only realistic course for the Orcutt community to proactively meet its parks, recreation, open space, library and senior service needs is for the voters to authorize a special tax restricted to the community and devoted solely to the uses specified in the formation of the CSD.

The State Constitution allows special taxes with approval of two-thirds of the voters. Given the strictures of Proposition 13, approved special taxes cannot be based on the property values. They must be based other rational methods of allocating costs.

The Taussig report identifies a formula for "spreading" a special tax over different types of land uses – single family detached housing, single family attached housing and commercial development. Utilizing the methodology in the Taussig report, and after consultation with community representatives, the staff recommends that the formation be conditioned upon authorization of a special tax measure by the voters within the CSD.

Moreover, the staff feels the District should not be approved without this requirement since it is not effective policy to create public agencies without an adequate source of funding.

The specific tax measure the staff is proposing is detailed in the terms and conditions set forth later in this report. The authorized tax for a single-family detached house would not exceed \$125 for Fiscal Year 2001-2002, the first year the District would be in existence. The maximum tax for single-family attached and mobile homes would be 69% of that amount.

It is also recommended that the maximum tax authorization be increased annually by not more than 2%. This is comparable to the inflationary escalator provided for in Proposition 13.

The actual tax levied each fiscal year would be determined by the District board of directors but could not exceed the voter-approved maximum tax authorization.

With the approval of the special tax the District will be financially feasible.

#### Detachment from County Service Area No. 5 – Orcutt

County Service Area No. 5 (Orcutt) is a County-governed special district formed in 1962. Its boundaries include most of the proposed CSD. Some portions of CSA No. 5 are outside of proposed CSD boundaries, such as parcels adjacent to Betteravia and Mahoney Roads.

CSA No. 5 maintains approximately 20 acres of parks and open space. It receives approximately \$60,000 in property tax revenue annually. The resolution of application proposes to detach the land within the proposed CSD from CSA No. 5.

Along with the detachment, parks supported by CSA No. 5 should be transferred to the CSD and related property taxes should be reallocated to the CSD.

### Governing the Orcutt CSD

Governing Board - The Orcutt Roundtable prefers, as shown in the resolution of application, that the District be governed by a seven-member board elected by and accountable to the voters within the District. Upon further research, the staff has found that a CSD must be governed by a board consisting of either three or five members, as provided in Government Code §61200:

“Each district shall have a board of three or five directors, as stated in the petition for formation, all of whom shall be registered electors residing within the boundaries of the proposed district and all of whom shall be elected at large.”

A CSD may have a larger board, but only if it results from the consolidation or reorganization of two or more Districts, as provided in §61210.1:

“(a) Notwithstanding Sections 61200...the local agency formation commission, in approving either a consolidation or reorganization of two or more districts into a single community services district may...increase the number of directors to serve on the board of directors of the consolidated or reorganized district to seven, nine, or eleven, who shall be members of the board of directors of the districts to be consolidated or reorganized as of the effective date of the consolidation or reorganization.”

The staff recommends that the CSD be governed by a five-member board elected at large for four-year terms, and that the initial board be chosen at the time the District is formed.

General Manager - CSD statutes require that the board appoint a “general manager” to conduct the affairs of the District. It is assumed that in the early years this position may be part-time or filled by contracting with an existing public agency. The board will make this decision once it is elected. Funding for District administration is provided for in the Taussig feasibility report.

### Other CSD Services

The statute identifies a broad array of services that CSDs can provide, such as sewage treatment, water supply, refuse disposal, fire protection, street lighting, under grounding overhead electric facilities, ambulance services and many others.

Public recreation, senior services and libraries are the only services proposed for the Orcutt CSD. In the future the community may want the District to provide other types of services. To do so the District would notify LAFCO of its intention to provide new services. In accordance with its rules and regulations LAFCO would determine if there are objections from other public agencies. If there are no objections, or if there are objections and LAFCO rules that the District can

provide the other services, the District board would conduct an election among District voters to determine if the District is authorized to provide the additional service or services.

#### Proposed Orcutt County Water District

Gerald Trimble, a resident of Orcutt, spoke to the Commission on August 3 regarding proposed water rate increases and the possible formation of a County Water District to replace the existing private purveyor.

Since that time Mr. Trimble has prepared a petition for voters to initiate the formation of a County Water District for the Orcutt area. Much of the territory proposed for the water district is within the boundaries of the proposed CSD.

While it is not known if a petition will be formally submitted to create a County Water District, this idea raises the question of whether or not a separate district to provide water in the Orcutt area should be formed or whether the CSD is the proper vehicle to provide this service. Water supply is an authorized CSD service. Five CSD's in Santa Barbara County currently provide water as one of their functions.

#### City of Santa Maria Sphere of Influence

A sphere of influence is defined in Government Code §56076 as "...a plan for the probable physical boundaries and service area of a local agency, as determined by the commission."

Since Orcutt is within the sphere of influence of the City of Santa Maria the proposal before the Commission raises the question of whether a special district, with powers to provide many of the types of services that are provided by the City, should be created within the City sphere.

Given the definition of a sphere of influence, it can be argued that the City, not an independent special district, should be responsible for these services. In fact, forming an independent district will have the effect of institutionalizing the unincorporated status of the area or moving the area in the eventual direction of incorporating a separate city, as happened in Buellton and Solvang.

On February 6, 1997 the Commission considered excluding the Orcutt area from the City's sphere of influence. The staff report noted having Orcutt within the City sphere had no effect since it was "part of the sphere in name only." Both the County and City ignore the fact that Orcutt is within the sphere.

The Commission indicated its intention to keep the Orcutt area within the City sphere at that time, with Commission Campbell opposed.

The proposed formation of the Orcutt CSD again raises the question of whether Orcutt should be within the City of Santa Maria sphere. The City appears to have no plans to annex the area and the County continues to approve urban developments in Orcutt without referring property owners to Santa Maria despite the land being within the City's sphere.

If the Commission thinks that modifying the City's sphere to exclude Orcutt should be considered, the staff will schedule this matter for hearing at a future LAFCO meeting and notify all interested parties.

Land Use, Planning and Zoning - Present and Future:

Existing uses conform with the OCP and zoning, including residential, commercial, institutional and open space designations. No changes in planning, zoning or land use are proposed as a result of this application.

Current land uses vary and include residential, commercial, institutional and open space. There are approximately 11,000 existing homes within the proposed District. Due to the nature of the proposal, no new dwelling units will result from this proposal.

Surrounding land uses are primarily open space and agriculture to the east, west and south, with mixed urban uses to the north within the City of Santa Maria.

If the District is formed LAFCO will consider adopting a sphere of influence at a future hearing. Adopting a sphere is not a prerequisite for the approval of the District formation.

Topography, Natural Features and Drainage Basins

The topography of the proposal is generally level with some hillsides to the south. There are no significant natural boundaries affecting the proposal.

Governmental Services and Controls - Need, Cost, Adequacy and Availability:

The initiating agency's "Plan for Providing Services within the Affected Territory" is attached as required by Government Code §56653. This plan is augmented by the fiscal analysis that has been distributed to the members of the Commission and is a part of this proceeding.

Impact on Prime Agricultural Land, Open Space and Agriculture:

As noted, there are no changes in land use, planning or zoning as a result of this proceeding, nor are any impacts to agriculture or open space proposed as a result of the formation

Assessed Value, Tax Rates and Indebtedness:

The proposal is presently within numerous tax rate areas. Overall ad valorem tax rates will not be affected by this change, however it proposed that there be a special tax measure approved in conjunction with the formation of the District.

There is no bonded indebtedness proposed in conjunction with the formation of the District.

Environmental Impact of the Proposal:

LAFCO is the lead agency for the formation of the District.

Forming the District does not result in any changes in land use. It transfers assets, provides for taxing authority and creates a local governing board for some issues now the responsibility of the Board of Supervisors. Because this change of organization does not have the possibility of causing a significant impact on the environment, it is exempt from CEQA pursuant to CEQA Guideline 15061(b)(3).

Future District decisions regarding the provision of facilities or services will need to comply with CEQA disclosure and reporting requirements at the time that decisions are being made.

Boundaries, Lines of Assessment and Registered Voters:

A map sufficient for filing with the State Board of Equalization has not been received from the proponent. The boundaries are definite and certain, though containing minor errors, and there are no conflicts with lines of assessment or ownership.

The territory is legally inhabited.

ALTERNATIVES FOR COMMISSION ACTION

After reviewing any testimony or additional materials that are submitted the Commission should take one of the following actions:

OPTION 1 – APPROVE the proposal.

- A. Find the formation to be exempt from CEQA.
- B. Adopt this report and approve the formation of the Orcutt Community Services District subject the attached terms and conditions.

- C. Authorize the Board of Supervisors to initiate and conduct subsequent proceedings in compliance with the resolution of the Local Agency Formation Commission only upon the signing of the resolution by the Chair.
- D. Direct the staff to schedule a future public hearing on excluding Orcutt from the City of Santa Maria sphere of influence.

OPTION 2 – DENY the proposal

- A. Find the formation to be exempt from CEQA.
- B. Adopt this report and deny the proposal.

OPTION 3 - CONTINUE for more information

If the Commission needs more information, it should CONTINUE its consideration of this matter to a future meeting.

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BOB BRAITMAN  
Executive Officer  
LOCAL AGENCY FORMATION COMMISSION

List of Attachments and Exhibits

Attachment	Proposed Terms and Conditions
Exhibit A	Map of proposed District
Exhibit B	Plan for Providing Services

TERMS AND CONDITIONS – FORMATION OF ORCUTT CSD

1. Name – The district shall be the Orcutt Community Services District
2. Boundaries – The boundaries of the District are set forth in Exhibit A, attached to the Commission’s resolution making determinations and made a part thereof.
3. Authorized Services – The District’s authorized services, pursuant to Government Code Section 61600 shall include the following:
  - A. Public recreation including, but not limited to, parks, playgrounds, athletic fields, gyms, swimming pools or recreational buildings, aquatic parks, equestrian and hiking trails and senior centers and services.
  - B. To acquire sites for, construct, and maintain library buildings, and to cooperate with other governmental agencies for library service.
  - C. The specific services to be provided in any particular year shall be determined by the governing board of the District

The District may in the future provide other types of services if authorized by the Community Services District Law, subject to compliance with the statutory procedures for authorizing additional services.

4. District Board of Directors
  - A. Governing Board - The District shall be governed by a board of directors of five (5) members elected at large for four-year terms by registered voters residing within the District.
  - B. Election of initial governing board - The election of the initial board of directors shall be held on the same date as the election for the formation of the District.
  - C. Staggered Terms of Office – Of the first elected board of directors, the terms of the three (3) members with the largest popular votes shall be four years. Of the first elected board of directors, the terms of the two (2) members with the next largest popular votes shall be two years.
  - D. First Board of Directors Meeting – In addition to all other means authorized by law, the first meeting of the Board of Directors may be called by notice given in a lawful manner by any four members of the Board of Directors.

5. Transfer of CSA No. 5 property taxes – The property tax allocation factor for County Service Area No. 5, for those properties within the District, shall be reallocated so that in future fiscal years these taxes shall be allocated to the District.
6. Transfer of CSA No. 5 monetary assets – All funds owned by CSA No. 5, including cash on hand and moneys due but uncollected, shall be transferred to the District.
7. Transfer of real property – The following real property shall be transferred from the County of Santa Barbara and/or County Service Area No. 5 to the District without payment or compensation.

<u>APN</u>	<u>Developed Open Space</u>	<u>Acreage</u>
103-374-06	Domino	1.1 Acres
103-412-03	Lee West	1.7 acres
103-500-52	Rice Ranch	38,848 sq. ft.
101-300-027	Stonebrook	3.8 acres

<u>APN</u>	<u>Undeveloped Open Space</u>	<u>Acreage</u>
103-375-02	Bradley Open Space	0.40
103-381-13	Bradley Open Space	4.80
103-395-01	Crescent Open Space	0.50
103-401-02	Crescent Open Space	1.50
103-401-04	Crescent Open Space	0.70
103-550-52	El Cerrito Open Space	4.90

8. Waller Park - Waller Park will not be transferred to the CSD.
9. Transfer of monetary assets
  - A. Quimby Fee - The County shall transfer to the District Quimby fees that have been collected for the Orcutt area, the balance of which as of September 26 is \$303,758.22, identified as Account 1397. The actual amount transferred shall be determined by the County Auditor as of the date the District is formed and shall include all cash on hand and moneys due but uncollected for Orcutt Quimby fees.
  - B. Residential Development Fees - The County shall transfer to the District a proportionate share of development fees, which as of September 26 is \$98,314.54, identified as Account 1398 Parks/AB 1600 Fees – Orcutt.
  - C. Commercial & Industrial Development Fees - The County shall transfer to the District a proportionate share of development fees, which as of September 26 is \$25,579.02, identified as Account 1394 Parks/AB 1600 Fees – Orcutt C&I.

- D. Determination of the Amount of Fees Transferred - The amount of development fees to be transferred to the District shall be determined by the County, taking into account District obligations for acquiring, improving and maintaining parks and open space within the OCP and the County's obligation to comply with the OCP Memorandum of Understanding.

In no event shall the proportion transferred from the County to the District be less than seventy-five percent (75%) of the amounts that are credited to these accounts as of the date of the formation of the District and in future years.

All development fees collected from new developments for parks in the Orcutt area shall be transferred to the District once the County's obligations pursuant to the OCP Memorandum of Understanding have been satisfied.

10. Creation of Zones - Within the District's authorized maximum tax the board of directors of the District may form one or more divisions or zones with varying levels of service and establish different levels of special taxation therein.

11. Special Tax - Approval of the following special tax authorization:

- A. Special Tax - The maximum special tax shall be \$125.00 per Equivalent Dwelling Unit (EDU) for fiscal year 2001-2002 and said authorized maximum special tax shall be increased automatically annually thereafter by two percent (2%) of the maximum authorized amount in the preceding fiscal year.

- B. Actual Tax - The Board of Directors, by majority vote, shall determine the actual tax to be levied in any fiscal year on the basis of revenues estimated to be required by the District to pay its reasonable and necessary expenses for such year. The actual tax levied shall not exceed in any year the maximum authorized tax for that year.

- C. Allocation of the Special Tax to Residential Parcels - The special tax shall be allocated to residential parcels within the District as follows:

- 1) Single Family Detached Homes - Special Tax Factor of 1.0 EDU
- 2) Single Family Attached Homes - Special Tax Factor of 0.69 EDU
- 3) Mobile or modular homes on separate parcels shall be taxed the same as single family attached homes at a special tax rate of 0.69 EDU.
- 4) For mobile home parks the special tax shall be calculated by multiplying the number of rentable dwelling spaces by a special tax of 0.69 EDU.

- D. Allocation of the Special Tax to Commercial Parcels - The special tax shall be allocated to commercial uses within the District based on square footage as follows:
- 1) Retail Commercial has a special tax factor of 1.0 EDU per 1,000 square feet of building space.
  - 2) Non-retail Commercial has a special tax factor of 0.97 EDU per 1,000 square feet of building space.
- E. Allocation of the Special Tax to other Parcels – The special tax factor for all other parcels within the District shall be 0 EDU, meaning such parcels shall not be taxed until the existing use changes to a taxable use.
- F. Application of Special Tax – The special tax shall apply to all parcels that are within the District at the time of its formation, all parcels that are annexed to the District after it has been formed and all parcels that are subsequently created by any form of land division.
- G. Definitions for Implementing the Special Tax
- 1) “Fiscal year” shall begin on July 1 and end on June 30 of the following calendar year.
  - 2) “Parcel” shall mean a buildable lot as determined by the County of Santa Barbara
12. Appropriations Limit – The District’s appropriations limit (Gann limit) for Fiscal Year 2001-2002, as required by California Constitution Article XIII B, Section 4, shall be \$3,275,000.
13. Single Ballot Question – The question of formation, detachment from County Service Area No. 5 and all terms and conditions shall be presented as one question on the ballot.
14. Effective Date
- A. If the election to form the District is held in March 2001 the effective date of the reorganization shall be May 14, 2001, or as soon thereafter as practicable.
  - B. If the election to form the District is held in November 2001, the effective date shall be December 17, 2001, or as soon thereafter as practicable.

PLAN FOR PROVIDING SERVICES FOR THE FORMATION OF THE ORCUTT  
COMMUNITY SERVICES DISTRICT

***1. Enumerate and describe the services to be extended to the affected territory.***

The district is authorized to provide public recreation, athletic fields, aquatic parks, equestrian trails, hiking trails, playgrounds, senior center and services, gyms, swimming pools, recreational buildings and library facilities and services within its boundaries, recognizing that the timing and manner of providing these services will depend upon future actions by the board or directors.

***2. What will be the level and range of services?***

The level and range of District services will be determined by the board of directors based on community desire, availability of funding, physical assets and related factors.

***3. When feasibly can the identified services be extended by the proposed district?***

Services will be provided as funds and facilities are available. There will be no interruption of services presently provided by County Service Area No. 5 which owns and maintains public parks and open space lands with the proposed district.

***4. Will there be any improvement or upgrading of facilities if the change of organization or reorganization is completed?***

No improvements of upgrading of physical assets will occur as part of the formation proceedings. Future services, including acquiring and improving physical assets will depend on the fiscal capacity of the District. The board of directors will make decisions regarding infrastructure improvements. The formation of the district is not base on bond issues or specific financing plans for improvements.

***5. How will the District services be financed?***

Revenues presently allocated to County Service Area No. 5, charges for services that are provided, and developer fees and in lieu dedications, grants and loans and such other revenues as the district receives will finance services.

Prior to approving the formation it is proposed that a study be prepared that addresses the fiscal feasibility of the district.